



Facilities Officers Workshop

Competitive Sourcing (A-76)

7 May 2008
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Briefing Outline

- **A-76/Competitive Sourcing Overview**
 - **NDAA FY08 changes to A-76 Program**
 - **DoD Guidance**
 - **USMC Benefits**
- **A-76 Perspective**
- **Key Areas**
- **Future Program Status**
- **What I Need to Know?**



Retirement & Health Care

- **DoD Has Competed and Won Over 85% of Competitions**
- **FY08 NDAA**
 - Requires that contractors cannot receive and advantage due to retirement and health care being provided which is less than the government
 - Together that is nearly 32% of labor
 - Therefore costs are collected and bids adjusted up (if needed to equal 32%)
- **Result - Unknown**
- **Speculation - These Contractor Costs Are Significantly Lower Than 32%, Therefore:**
 - Awards to contractors will disappear
 - Contractors will stop competing
 - Agency Tender costs will increase



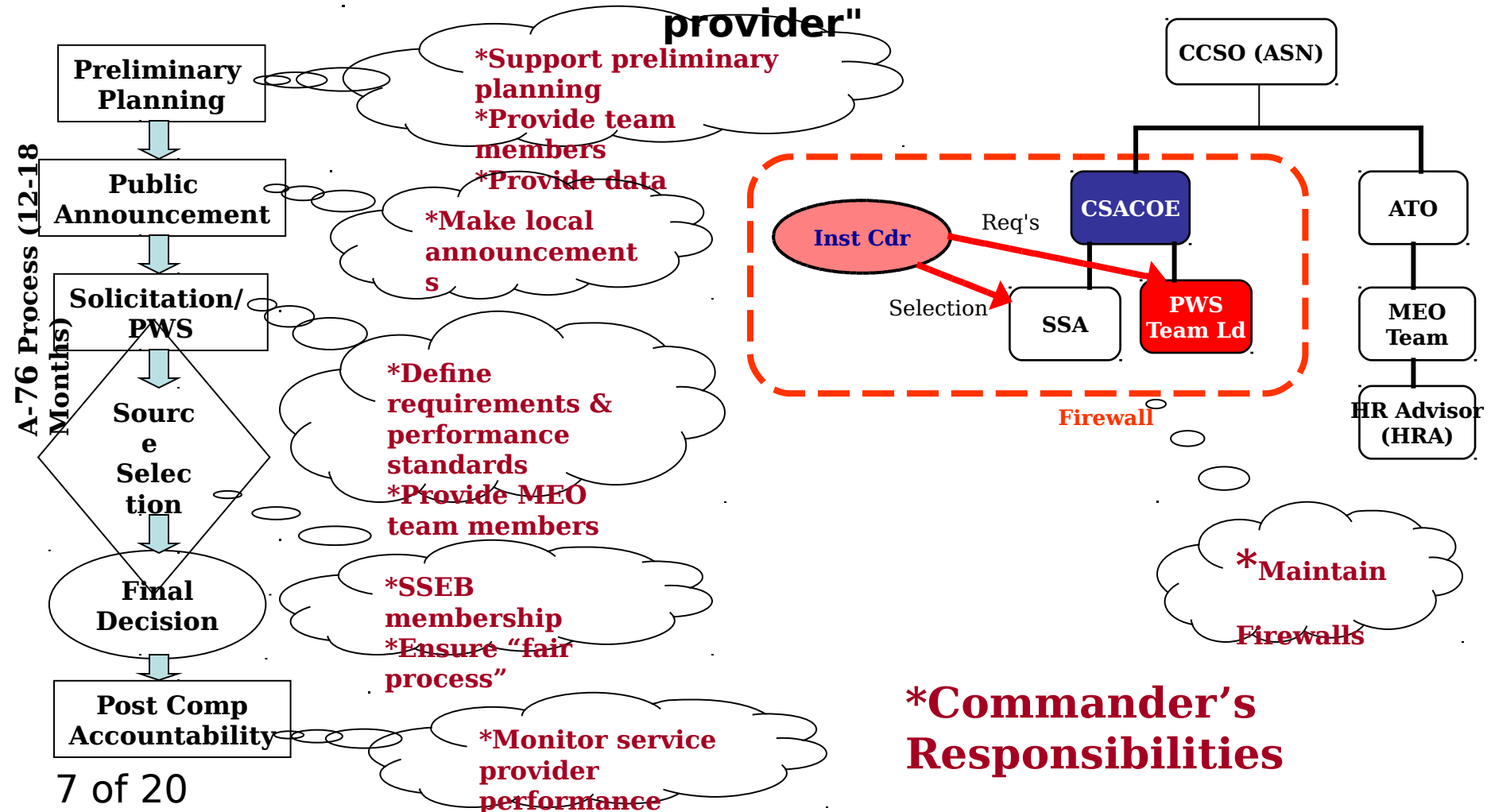
A-76 Benefits

- **Requirements are Defined**
- **Improves Performance**
 - Empowered MEO
 - Discipline (know impact of changes)
 - Metrics
- **Competition Drives Efficiencies**
 - Historically 30% savings – validated
- **A-76 Drives to a Conclusion**
- **Accountability (Annual Assessments)**



Perspective on A-76

From “We are the service provider” to “Select the best service provider”





A-76 Key Areas

- **Preliminary Planning**
 - Defines Business Unit to be competed
 - No set timeline, but usually within 6 months
 - Courtesy announcement to Congress (Navy Policy)
- **PWS**
 - Higher HQ review (PWS-BOD)
 - Centralized PWS Team Leader (at Intermediate Commands - responsible for work that gets done)
- **Agency Tender (AT)**
 - Centralized AT Officer (at Regional Commands, responsible for getting the work done)
 - MEO still operates within Government regulations
- **Acquisition**
 - Competitive Sourcing Acquisition Center of Excellence (CSACOE) provides
 - Contracting Officer
 - Consultant Support
- **Post Performance Accountability**
 - Continuous performance monitoring
 - Combined with periodic assessments (see Monitoring MEOs slide)



Preliminary Planning Team

- **Begins with Courtesy Notification to Congress**
- **Fact Finding**
- **Market Analysis**
- **Labor Market Analysis**
- **Define Business Unit and Baseline Cost**
- **Final Report**
 - Defined business unit(s)
 - Roles & responsibilities of teams
 - Recommend competition officials
 - Recommend type of Competition w/milestones
- **Public Announcement (official start) of Competition and End to Preliminary Planning**



PWS Team

- **Members Not on the AT Team**
- **Acquisition Strategies**
 - **Approved by CSACOE (Contracting Officer)**
- **PWS Development**
 - **Performance based - NAVFAC template-tailored**
 - **Government furnished property**
 - **Requires CCSO approval**
 - **Post draft for public comment - highly recommended**
- **Quality Assurance Surveillance Plan**
 - **Can be part of the solicitation**
- **Quality Control Required Under A-76**



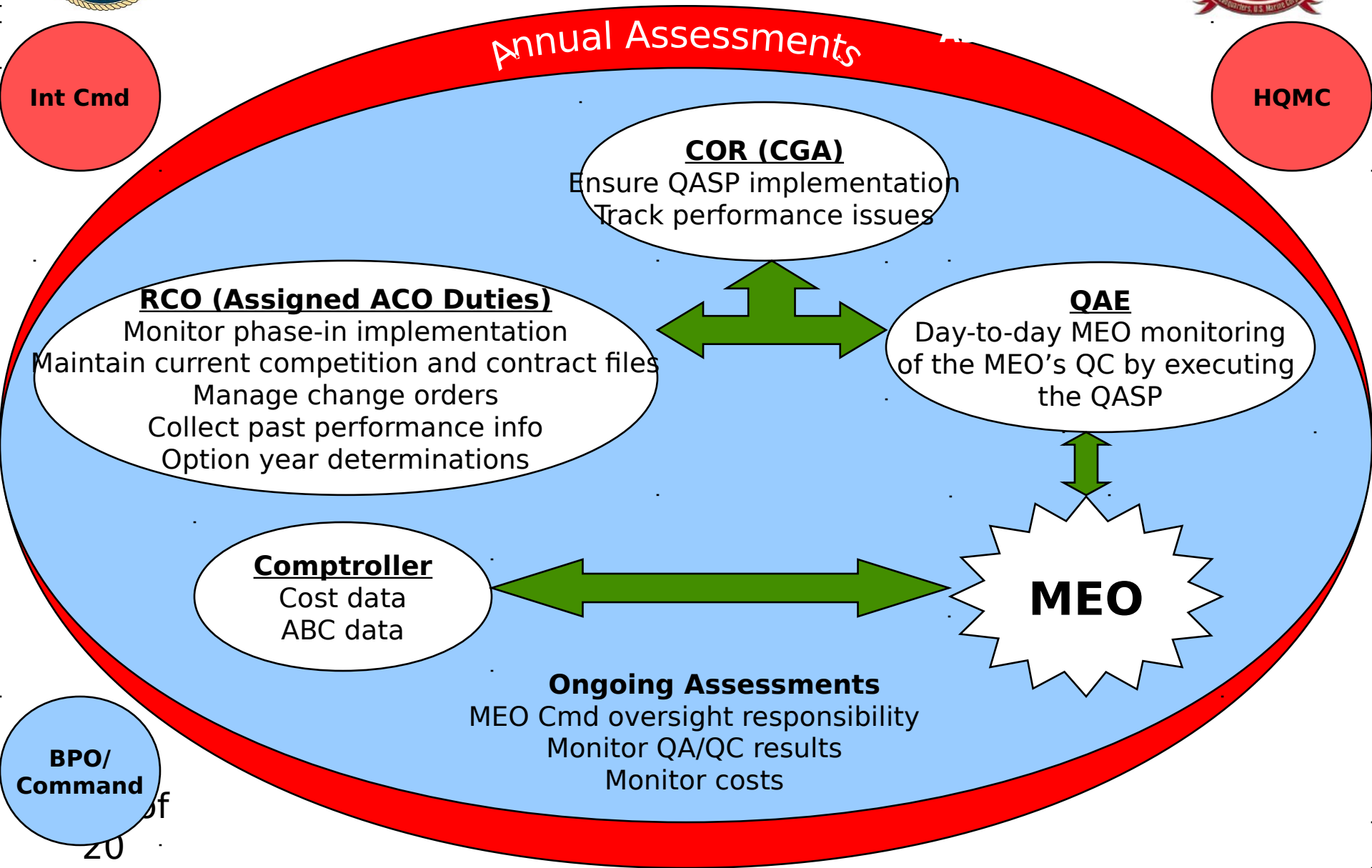
Agency Tender (AT) Team

- **Members Not on the PWS Team**
- **Agency Tender Official**
 - Assigned by and represents Sub-Regional Command
 - Manages AT development
 - Uses best practices or market research to achieve optimal organization
 - Primary concern is to build MEO which will best meet the requirements of the solicitation
- **Agency Tender Requirements**
 - Respond to the solicitation
 - MEO Staffing Plan
 - Cost Estimate
 - Quality Control Plan
 - Phase-in Plan
 - Any existing MEO subcontracts
 - Solicitations are generally:
 - Low cost technically acceptable
 - Mix of IDIQ and fixed price

***Don't get caught
by what you know
is true. Bid to
the Solicitation!**



Monitoring MEOs





Future Competitions



- **Budget Drives the Program, Priorities are:**
 - **MEO's not performing**
 - **Recompetitions - Extensions for a High Performing Organization (HPO)**
 - **PWS up to date**
 - **Market Conditions indicate MEO competitive**
 - **Meeting cost and performance**
 - **New competitions from Competition Candidate List**
- **New Competitions - Marine Corps List of Approved Commercial Activity Candidates**



High Performing Organization (HPO)



- **Requirements Document Required**
- **Business Process Re-engineering (BPR)**
 - Lean Six Sigma process would be acceptable
 - Draft DoD guidance establishes the program
 - Limited to 3 years post-MEO, 5 years new
- **Performance Accountability**
 - Performance metrics established or continued
 - Tracked via DCAMIS (OSD visibility)
 - Annual report
- **HPO Plans Shown on PB42 and Credit Toward Overall Accomplishment Pending Approval by OSD**



USMC Approved Competition Candidates



I&L Processes:

- **Supply Services**
 - Retail supply ops/DSSCs
 - Storage & warehousing
 - Fuels storage & dist
 - Military clothing
 - Personal property
- **Transportation**
- **Laundry Services**
- **Utilities**
- **Base Ops & Facilities O&M (re-competitions)**

All Other Processes:

- **Telephone Systems (C4)**
- **EAP Maint (MCCDC)**

Competitions in Progress:

- **Fuels at Miramar**
- **Laundry Services at MCRD Parris Island**

Priorities for future new competitions:

- **Fuels Optimization - Other bases**
- **SWRFT - West Coast Transportation**
- **Telephone Systems - USMC**



Other Competition Candidates

- **Utilities**
- **Garrison Property**
- **EEAP 29 Palms**
- **Telephone Communications**
- **Transportation**
- **SWRFT**

(Both SWRFT and Transportation dependent upon impact of USMC Enterprise Supply initiative)



Recompetition Schedule

Managing Organization	Function	Exec. Pd Start	End Date (Last Pd)	MEO FTE	Start Prel. Plg	Start Prel. w 3 yrs	PP FY Start
MCB Quantico	Facilities	4/23/2003	4/22/2008	246	5/1/2007	10/25/2009	FY 07
MCAS Cherry Point	Facilities	10/1/2002	10/1/2005	202	4/4/2004	4/4/2007	FY 08
MCLB Albany	Environ.	10/1/2002	9/30/2005	14	4/3/2004	4/3/2007	FY 08
MCLB Albany	Facilities	2/11/2004	2/10/2007	52	8/14/2005	8/14/2008	FY 08
MCRD Parris Island	Facilities	3/1/2003	2/29/2008	98	9/1/2006	9/1/2009	FY 09
MCRD Parris Island	Motor T	7/21/2003	7/20/2008	34	1/22/2007	1/22/2010	FY 09
MCLB Barstow	Facilities	10/1/2001	9/30/2008	143	4/4/2007	4/4/2010	FY 10
MCAS Yuma	Facilities	1/4/2002	1/3/2009	99	7/8/2007	7/8/2010	FY 10
MCB Hawaii	Facilities	3/7/2004	3/7/2009	152	9/9/2007	9/9/2010	FY 11
MCAGCC 29 Palms	Facilities	12/1/2003	11/30/2010	66	6/3/2009	6/3/2012	FY 12
Lejeune	MISC	4/1/2005	4/1/2010	124	10/3/2008	10/3/2011	FY 12
Pendleton	Facilities	1/2/2005	1/2/2012	258	7/6/2010	7/6/2013	FY 13
MCRD San Diego	Env. &	2/1/2005	1/31/2013	72	8/4/2011	8/4/2014	FY 14
			Total	1560			



A-76! Who else is involved?

- **OSD**
 - They coordinate DoD policy, interact with OMB, and promote the program
- **CCSO**
 - ASN provides approval on authorities delegated to them.
- **HQMC**
 - Provides general program support to include competition funding for training, consultant support, USMC guidance or policy, PWS approval process, reporting
 - Any request or requirement for higher level approval goes through HQMC (LR)
- **Intermediate Commands**
 - Requirements definition (PWS) approval, reporting, functional funding, other guidance
- **Sub-Regions**
 - Provides Agency Tender Official (ATO), shares efficiency and performance management data
- **CSACOE**
 - Source selection and contracting
 - Consultant support contracts



What to do if?

- Educate and Train
 - DAU on-line course
 - Commercial courses
 - Navy courses as available
 - JIT training available as part of consultant support contracts
 - References
 - A-76, MCO 4860.3E (draft), DoD Costing Manual, Baseline Costing Guidance, Streamlined Guidance (if applicable)
- Identify Personnel
 - Preliminary Planning Team, PWS Team, AT Team, HR Official
 - Consultant support thru CSACOE and HQMC (LR), there will be different consultant companies for Preliminary Planning/PWS Development and the AT Teams (firewall issues)
- Identify Working Spaces
- Develop Communications Plan
- Kick-off Preliminary Planning (Following Courtesy Congressional Announcement)



Issues of the Day

- **HPO Packages (Cherry Point, Parris Island, Hawaii) all forwarded to ASN**
- **MCB Quantico finished Preliminary Planning**
- **MCAS Miramar and MCRD Parris Island has to revise the solicitation based on the need to consider retirement costs**
- **FUTURE of the Program (conflicted)**
 - **Funding**
 - **OSD Guidance**
 - **Competition**
 - **Administration Change**
 - **Current Administration reluctance to back**
 - **NDAA and Congressional Interest**
 - **Union opposition - Contracting Community silent**



Summary

- **A-76 is a Powerful Tool to Achieve Installation Efficiencies**
- **Installations have Major Roles in all Phases of the Program**
- **“Re-competitions” no longer “Required” but strongly encouraged. Unless there is reason to recompetete we will extend.**



Back-Up



USMC Program Record



Completion Schedule/Record for Announced Studies (updated 4/14/06)											
Location/Function	CAMIS #	Completed			MEO FTE	Decision Date	Conversion Date	MEO RVW Date	Last Perf End Date	Est. annual	
		CIV	MIL	TOT						Svgs (\$M)	Svgs %
MARFORPAC											
Pendleton/Facilities	MC20030001	408	13	421	258	3/15/04	1/2/05	11/4/05	1/2/12	8.7	30.6%
Pendleton FAP/ADMIN	MD20000003	0	22	22	Contract	10/1/00	10/1/01	N/A	N/A	0.3	24.6%
29 Palms/Facilities	MC20000735	116	22	138	66	9/3/03	12/1/03	10/28/05	11/30/10	4.1	39.8%
Hawaii/Facilities	MC20000736	203	35	238	152	7/1/03	3/7/04	4/4/05	3/7/09	5.2	25.8%
Yuma/Facilities	MC19990729	103	114	217	99	6/14/01	1/4/02	2/3/03	1/3/09	5.8	41.4%
MARFORLANT											
Cherry Point/Facilities	MC19990728	361	10	371	235	11/30/01	10/1/02	2/6/04	10/1/05	7.0	26.9%
Beaufort/Facilities	MC19990730	94	6	100	Contract	9/18/01	3/17/02	N/A	N/A	2.3	39.3%
Lejeune/Issue & Distribution	MD19990286	0	14	14	Contract	12/14/00	12/15/00	N/A	N/A	0.0	1.5%
Lejeune/Fuels	MD19990285	7	6	13	Contract	8/1/03	1/28/04	N/A	N/A	0.0	0.0%
Lejeune/Range Operations	MD19990284	0	45	45	Contract	6/1/03	11/28/03	N/A	N/A	0.1	30.9%
Lejeune/Real Prop. & GM	MC20030002	265	11	276	Contract	9/28/04	6/1/05	N/A	N/A	9.3	40.8%
Lejeune/Bachelor Housing	MC20030003	61	1	62	58	7/14/04	1/1/05		4/1/10	.1	5.7%
Lejeune/Waste & Recycling	MC20030004	25	0	25	19	6/21/04	1/1/05		4/1/10	.3	21.9%
Lejeune/FSSG	MC20030005	27	0	27	18	11/9/04	6/1/05		12/31/09	0.6	30.3%
Lejeune/Manpower Admin	MC20030006	8	17	25	16	11/9/04	6/1/05		12/31/09	0.3	33.8%
Lejeune/Motor Vehicle Maint	MC20030007	52	24	76	Contract	11/9/04	7/1/05	N/A	N/A	3.0	67.2%
Lejeune/Supply	MC20030008	38	15	53	13	11/9/04	6/1/05		12/31/09	1.8	73.0%
Lejeune/Range Management	MD20030001	3	16	19	Contract	5/24/03	12/1/04	N/A	N/A	0.8	11.1%
LOGBASES											
Albany/Facilities	MC19990731	113	15	128	52	12/11/01	2/11/04		2/10/07	4.4	52.0%
Albany/Environmental	MC19990732	21	0	21	14	8/13/01	10/1/02		9/30/05	1.1	28.5%
Albany/Architectural & Eng.	MD19990181	8	0	8	6	1/12/01	10/1/01	N/A	N/A	.1	21.5%
Barstow/Facilities	MC19990719	293	23	316	143	3/27/01	10/1/01	1/13/03	9/30/08	7.2	45.5%
TECOM											
Parris Island/Facilities	MC20000733	161	0	161	98	9/18/02	3/1/03	2/22/05	2/29/08	3.3	30.1%
Parris Island/Motor Transport	MC20000721	40	0	40	34	9/18/02	10/1/03	2/22/05	7/20/08	.3	10.2%
Parris Island/Museum	MD20000182	0	5	5	5	6/7/00	10/1/00	N/A	N/A	.0	0.0%
San Diego/Facilities	MC19990720	75	5	80	58	7/26/01	2/1/05		1/31/13	1.2	19.7%
San Diego/Grounds Maint.	MD19990186	17	0	17	Contract	8/1/00	2/5/01	N/A	N/A	.1	16.5%
Other											
Quantico/Facilities/Logistics	MC19990722	408	97	505	246	9/24/02	4/23/03	12/15/04	4/22/08	15.9	43.1%
Quantico/Housing Maint.	MD19990268	6	11	17	Contract	1/30/01	5/1/02	N/A	N/A	.3	23.2%
Quantico/Sludge Hauling	MD19990183	1	0	1	Contract	8/14/01	2/2/04	N/A	N/A	.0	15.9%
Quantico/Waste/Recycling	MD19990184	6	3	9	Contract	8/29/01	3/1/02	N/A	N/A	.7	90.3%
Quantico/Custodial Svcs	MD19990185	5	0	5	Contract	8/29/01	7/1/02	N/A	N/A	.1	53.5%
Quantico/Wrecker Services	MD19990002	0	6	6	Contract	11/2/00	10/1/03	N/A	N/A	.4	94.5%
HQBN/MRP	MC20000734	12	5	17	6	9/27/04	1/3/06		9/30/10	.7	53.7%
Garrison Food Svc	MDPRIV0001	0	594	594	Contract	8/1/02	10/1/02	N/A	N/A	27.9	19.6%
Total		2937	1135	4072	1,596						
Savings										~\$113.7	29.6%
									(some rounding error)		
							Without Direct Conversions			\$83.0	36.3%



Commander's Role



- **Supports Preliminary Planning, PWS and AT Teams**
 - Team Membership
 - Space Requirements
 - Communication Plans
- **Provides Input Into Performance Requirements (PWS Development)**
- **Participates in Selecting Best Service Provider (Source Selection)**
- **Maintains Firewall Between PWS and AT Teams to Avoid Conflict of Interest**
- **Ensures Performance Meets the PWS Requirements Regardless of Service Provider Selected**
- **Reports on Program Performance**



DCAMIS Data Reporting



- DoD Commercial Activities Management Information System
 - Official report to OSD of A-76 competition actions
- Key Data Reported
 - In-Progress Data
 - Milestones
 - Cost to conduct the competition (reported in hours for the individuals conducting the competition)
 - Decision results
 - Transition Data
 - Personnel actions
 - Implementation reporting
 - Performance Data
 - FTE changes
 - Cost changes
 - Performance metrics achievement (Input NLT Annually)
- Activities (Usually the Business Performance Office) has Access to Read the Information and Forward Data to Their Intermediate Level Command.



What Else is Important to Me?

- **Currently There Are Numerous MEOs**
- **All Were Competed Under the Old Circular. They Fall Under the Same Standards as in the New Circular for:**
 - Performance monitoring. Programs run by Intermediate Commands but may be delegated to the base for activities achieving good performance.
 - Maintaining an accurate PWS
 - Recompeting
 - Activities should put in requests for 3 year extensions 1 to 1.5 years prior to the end of their last performance period
- **DoD Commercial Activity Management Information System (DCAMIS) input is generally done by your Intermediate Command however, data may be required of you (see back-up)**



Useful Websites

- **OMB** (<http://www.whitehouse.gov/omb>)
 - A-76 Circular
- **GAO** (<http://www.gao.gov>)
 - Reports, Bid Protest Decisions, A-76 Panel
- **OSD Share A-76** (<http://sharea76.fedworx.org>)
 - IGCA Inventory, COMPARE
- **DAU** (<http://www.dau.mil>) , (<http://clc.dau.mil>) and (<https://learn.dau.mil/html/clc/Clc.jsp>)
 - Continuous Learning A-76 Module CLC037
- **Marine Corps**
(<http://hqinet001.hqmc.usmc.mil/i&L/v2/LR/LRHome.htm>)
- **Navy** (<http://competitivesourcing.navy.mil>)